



TOWN OF NORTH ANDOVER

FINANCE COMMITTEE

Meeting Minutes

Meeting Date: 10 February 2011

Meeting Location: Town Hall, First Floor
Conference Room

Meeting called to order: 6:45 PM

Mark Rodgers-MR, Chairman	X	Thom Dugan-TD	X
Ramsey Bahrawy -RB, Vice Chairman		Robert Norbedo-RN	
Ben Osgood-BO	X	Matthew Remis-MRem	X
Alan LeBovidge-AL		Herb Cunha-HC, Minutes	X
Peter Besen-PB	X	Pat Sifferlen, PS, Admin	X
Bonnie Wilkinson-BW	X		

Non FinCom Members in Attendance

OTHERS: -Mark Rees, MRees-Town Manager

Note: All FINCOM votes are subject to change upon receipt of new information.

Note: Documents used in this meeting are listed in Document Table, herein.

II. Previous Minutes Approved

DATE: 27 Jan 2011 Minutes approved
3 Feb 2011 Minutes approved

III. New Business

AGENDA ITEM: A. Snow and Ice Update (Lyne)

Discussion: -MRees: He referred to Memo for Snow & Ice prepared L. Savage. On Page 3, exceed by \$161.4k, total expense is \$901.5k FINCOM vote is required to allow DPW to exceed budget, thus authorize overage to be paid.

AGENDA ITEM: A. Snow and Ice Update (Lyne), continued

Discussion: **Vote Taken: BO made a motion for FINCOM to authorize DPW to spend over the snow and ice budget.**
Note: this is a blanket approval for overage so that votes don't have to be made again later.
Discussion: MR asked about plan to cover overage.
MRees: He will work with L. Savage to scour the Departments to locate funds.
Seconded by TD.
Vote: Yes, unanimous, passed

AGENDA ITEM: B. Budget Update (Mark Rees)

Discussion: -MRees: He referred to the FY2012 Budget/General Fund/Town Manager's Recommendation. He presented the Operating Budget to the BOS. Overall Revenues are up, 1.5% versus last year \$1.2M, 6.5% Department costs \$1.5M. Deficit of \$507K, includes appropriate variation for snow and ice. Reference to page 6, \$77.6M to \$78.8M, Town Managers recommendation. Revenue and Fixed cost received for projects 10% State, but actual to come in at 7%. We picked up 3%. There is 20.5% for Facility Manager and Technical (consolidated) for replacing computer equipment expense. On Page 6 less than 1% available for Operation. Page 12, see 2.48% increase and Page 13, see 1.5% increase. Transfer ratios are to mimic operations and school.
 -MR: Asked what M. Rees will push for.
 -MRees: 1/3-2/3 split, support services will impact the ratio. This will be based upon the Operating Budget at last year's Town Meeting. Snow and Ice increase from \$740k to \$775k. Page 6, Town Budget must be cut \$156.7k, must cut also 5.5 positions, one each in Library, Public Works, Elder Services and Youth and Recreation Department. Also recommended to not be funded are the vacant Deputy Fire Chief position and a shared police/fire part time technology position which is also not filled. Personnel reductions will save \$241k. Reference made to Page 27, Health Insurance Trust Fund. Insurance expense includes all Town payouts for claims, and administration performed by Blue Cross. FY10 increase of 10.17% was influenced by higher large claims.
 -MR: The Governor proposes use of GIC.
 -MRees: Municipal collective bargaining is for all unions in towns. Changes actually are the same as GIC, details not known now. Any cost savings will go to employees. Indication is that this will be up to the Administration Finance which is before the State Legislature. BOS will review and schedule a meeting soon.
 -MR: He asked about the Fire Department ladder truck as to why it takes people out to shovel.

AGENDA ITEM: B. **Budget Update (Mark Rees), continued**

- Discussion:
- MRees: He will review email, regarding this topic and other questions/requests that came as a result of the joint meeting of FINCOM and BOS with Departments and School Committee. He stated that Department heads will submit justification statement for each of these.
 - BW: Asked how workers compensation claims compare by years as to up and down trends.
 - TD: State salt at \$23 is cheaper than we are paying now. He will analyze with DPW, Bruce, for use next year.
 - MRees: Regarding IT, Matt will come back to have meeting to address questions raised.
 - BW: She wants to have a face to face meeting with IT as occurred last year resulting in a \$300k savings.
 - MR: Matt needs to reach out to Department/School for their needs.
 - BW: The point was raised about infrastructure versus out sourcing. Cookie cutter approach should not be the approach.

AGENDA ITEM: C. **Warrant Article Write-ups and FINCOM report**

- Discussion:
- MRees: Mentioned adding an Article to transfer funds to stabilization.
 - PB: Spoke about putting in an Article on appropriations for Municipal contracts. He will submit and no action will be taken if no contracts are pending.
 - MR: The due date for citizen petitions in the Warrant is 25 Feb. If we change By-Law, if this refers back to the Charter, there may be a conflict. Trying to decide requirements per Tom Erbiles, would require an article. He spoke of additional FINCOM write-up with FINCOM opinion and to leave room for minority report.
 - BO: Raised discussion about Articles, Comments and Explanation of Article.

Vote Taken: BO made a motion that FINCOM continue practice to write unbiased explanation of Warrant Articles plus add a section which is a written recommendation pursuant to the Town Charter. Seconded by BW.

Vote: Yes, unanimous, passed

- MR: He will send this vote to Mark Rees to be presented to the BOS.

AGENDA ITEM: D. New Business

Discussion: -Discussion took place regarding the Budget Communications Committee and responsibility to resolve differences among the Boards. For example, regarding Budget from FINCOM and BOS where 2 members from each Board are on Committee. Membership mentioned was 2 members each for School, BOS and FINCOM, yet other individuals attend.
 -TD: Mentioned that FINCOM may want to get a reading on this committee.

IV. Next Meetings

17 Feb 2011 Town Hall, 1st Floor Conference Room

RB will run the next meeting since MR will not be attending.

V. Adjournment-

Motion: BW Yes Unanimous
 Seconded: TD Time: 9:15 PM

ITEM #	TYPE	FROM	TO	SUBJECT	COMMENTS
1	Budget Report	Town Manager	General	FY2012 General Fund, Town Manager's Recommendation	
2	Memo, Report	Lynn Savage	Town Manager	Snow and Ice Account 7 Feb 2011	
3	Report	Town Manager	General	Fincom and Selectman Questions	From Joint Meeting with Depts/School
4	Petition/Article	Andover Special	Andover	Article showing petitioner explanation	
ITEM #	Examples	ACTION ITEM	INDIVID	COMPL	STATUS
1-28	Completed items are shown in FINCOM Mtg Minutes of 4 Mar 2010 thru 28 Oct 2010 and 27 Jan 2011 for review.				C
30	Obtain copy of Osgood Landing sewer Budget from Lenny Degman, Asst to Mayor of Lawrence.		MR	24 Sep	
32	Provide CD for New FINCOM member handbook.		MR	16 Nov	
33	Put on the Agenda, Minority Report and the formation of a FINCOM Article Sub-Committee.		MR	16 Nov	
34	Input to Mark Rees 2 scenarios, First- 5% in 2013 and Second-Otherwise scenario in 3 years.		MR	3 Feb	

DOCUMENTS PROVIDED AT MEETING

ACTION ITEMS

C=Complete